GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Guidelines for External Infrastructure assistance to Mega Projects approved by the State Investment Promotion Board – Orders – Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 161 Dated: 14-11-2017

Read the following:-

1) G.O.Ms.No.36, Industries & Commerce (IP & INF) Dept., Dt. 29-4-2015
2) G.O.Ms.No.108, Industries & Commerce (P&I) Department, Dt.14-11-2015
3) efile No.29/1/2017/Policy of Commissioner of Industries.

ORDER

Government have issued order introducing Industrial Development Policy 2015-20 and Guidelines for implementation the Industrial Development Policy 2015-20 and other Sectoral Polices vide references 1st & 2nd read above.

2. Government in its Industrial Development Policy 2015-20 has accorded 'Mega' status to the projects with an investment of at least Rs. 500 Crore or direct employment generation of 2,000. Further, for sectors such as textiles, food processing, biotechnology, definition of mega project is as per respective sector policy.

3. Based on the recommendations of State Investment Promotion Board, Government extends tailor-made benefits to mega projects to suit particular investment requirements on case to case basis based on the gestation period, pioneering nature, locational aspects, technology, project's importance to the State's industrial growth and its ability to generate large scale employment or revenues for the State.

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4. Mega Projects, generally are not only coming up in existing Industrial Parks, but are preferring standalone locations based on connectivity, availability of raw materials, ready availability of water, electricity and logistical preferences. The infrastructure facilities at these standalone locations some times needs to be created and in few cases it requires upgradation.

5. The State Government provides Infrastructure assistance as a grant to Mega Projects through State Investment Promotion Board for development of following Infrastructure facilities up to the door step of the proposed unit:

(i) Drinking Water and Industrial Water
(ii) Power supply
(iii) Laying of drainage line from the Enterprise/Industry/Industrial Estate to the existing point or to the natural drainage point
(iv) Approach Road to the Enterprise/Industry
(v) Any other infrastructure facilities as approved by the Government/ SIPB.

6. Since September 2014, SIPB has approved grant towards external infrastructure to many Mega Industrial projects. However the project proponents of Mega Projects represented to Government that there is inordinate delay in getting the required support for the external infrastructure and cumbersome procedure for claiming the infrastructure grant, making difficult to meet their project implementation timelines. In view of the above, discussions were held with stake holders and line departments to understand the critical issues and come out with a way forward for streamlining the process for providing external infrastructure to the Mega Projects.

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7. Accordingly, the Government proposes to streamline the process for providing external infrastructure to industrial projects with an aim to achieve the following:

(i) Reducing delays in execution of works due to following factors

(a) Administrative sanctions required at Head office level
(b) Technical sanctions required at Chief Engineer / Engineer in Chief level.
(c) Extended time taken for completing tendering process.

(ii) Fixing timelines for Line Departments regarding execution of works, thereby limiting escalation in project costs due to delays.
(iii) Providing provisions/options to execute infrastructure work either by the Industry or by the project proponent/ developer (in certain departments such as 'R&B').
(iv) Smooth execution of works by Line Departments where Right of way, land alienation is required.
(v) Limiting high service charges for supervision levied by Line Departments.
(vi) Limiting delays in release of reimbursements.

8. In the reference 3rd read above, the Commissioner of Industries has requested for approval of draft "Guidelines for providing external infrastructure assistance to Mega Project that are approved by State Investment Promotion Board (SIPB)".

9. Government after careful consideration of the views of the stakeholder Departments and examination of the matter hereby issue the following guidelines for providing external infrastructure assistance to Mega Projects approved by State Investment Promotion Board (SIPB). These guidelines are aimed at helping 'Mega Projects' meet project implementation timelines, control project costs and seek requisite financial support:

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GUIDELINES FOR PROVIDING EXTERNAL INFRASTRUCTURE ASSISTANCE TO MEGA PROJECTS APPROVED BY STATE INVESTMENT PROMOTION BOARD (SIPB).

The Government after several rounds of discussions with Line Departments and industry representatives proposes the following guidelines:

(A) Pre- SIPB Approval Stage

(1) Joint Inspection of the proposed project site District Collector shall cause a joint inspection of the proposed project site by the requisite department from among the following:

(i) Project Proponent/ Industry
(ii) District Industries Center (GM-DIC)
(iii) APIIC (ZM-APIIC)
(iv) DISCOMs/ TRANSCO
(v) Irrigation / Rural Water Supply
(vi) R&B
(vii) Panchayat Raj
(viii) DTCPO

and any other department which the District Collector considers relevant. After inspection, a checklist of non-statutory approvals (as mentioned in Annexure) related to the project site should be filled and duly signed upon by all the concerned parties/ departments.

(2) Submission of Estimates

(i) The District Collector shall cause all concerned line departments to provide, within 14 days from the date of joint inspection of the site, the following details for execution of specific work for infrastructure component pertaining to their department based on the Checklist:

(a) Certified Cost Estimates
(b) Timelines for execution

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(ii) The Line Departments should ensure that all items marked in the checklist from the Joint Inspection are appropriately covered in the certified cost estimates prepared.

(iii) The certified cost estimates should not require any unnecessary upwardly revisions going forward.

(iv) At this stage, the cost estimates should not include any supervision charges and any additional levies.

(v) Each infrastructure work will be tracked/ monitored regularly through Single Desk Portal (SDP) and the timelines for execution of infrastructure work will be included on SDP.

(vi) At this stage, the Project Proponent/ Industry should declare whether the infrastructure work is to be executed by the Line Department or by the Project Proponent/ Industry/ Developer.

(vii) The project proposal, along with the estimates for external infrastructure components, will be placed before the SIPC and SIPB.

(B) SIPB Approval Stage

(1) Approval of Estimates

(i) Once SIPC and SIPB approve the project proposal and the relevant infrastructure component, administrative and technical approvals are deemed to have been accorded and no separate administrative/ technical approval from the Line Department is required going forward for the particular infrastructure component.

(ii) The Government Order issued post approval of SIPB, should be marked to the concerned Line Departments based on the checklist prepared during joint inspection and the specific approvals granted by the SIPB.

(iii) The Line Departments will be responsible to complete works as per scheduled timelines for the specific works entrusted to them.

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(C) Post -SIPB Approval Stage

(1) Execution of Works for specific infrastructure component

I. By Project Proponent/ Industry/ Developer

(i) Suitable orders may be issued by respective Line Departments, allowing Project Proponent/ Industry to execute the work on their own. Currently, some departments does not have such a provision.

(ii) In case of turnkey projects, the Project Proponent/ Industry should follow the norms/standards/ stages and timelines fixed by the Line Departments.

II. By Line Department

(i) Line departments should adhere to the timelines and cost estimates as submitted to the SIPB

(ii) In case of any deviation in schedule, the Line Department is required to bear escalation cost

(2) Disbursement of approved incentive by SIPB

I. Execution by Line Department

(a) After finalization of the tender for execution of specific infrastructure work, mobilization advance (15% of the approved infrastructure estimate for specific infrastructure work) shall be released to the concerned line department by Commissioner of Industries.

(b) Upon completion of 75% of the infrastructure work (as per the detailed execution schedule in work contract) by executing agency, 60% of the approved infrastructure estimate will be disbursed directly to the executing agency by Commissioner of Industries, subject to certification of work completion by line department.

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(c) Balance 25% of the approved infrastructure estimate will be disbursed directly to the executing agency by Commissioner of Industries, subject to certification of 100% work completion by the line department.

(d) District Collector will act as the nodal authority to monitor the infrastructure work. The progress will be reviewed in the District Investment Promotion Committee (DIPC) meetings. DIPC will be responsible for clearing all issues related to Right of Way (ROW).

II. Execution by Project Proponent/ Industry/ Developer

(a) After finalization of the tender for execution of specific infrastructure work, mobilization advance (15% of the approved infrastructure estimate for specific infrastructure work) shall be released to the concerned Project Proponent/ Industry/ Developer by Commissioner of Industries against Bank Guarantee to the Government to the extent of 25% of approved infrastructure estimate for infrastructure work.

(b) The Project Proponent/ Industry/ Developer will be given an option to appoint a 3rd party supervision consultant for monitoring of infrastructure work. The appointed supervision consultant must have more than 5 years of experience in supervising similar kind of infrastructure works with any of the government departments.

(c) Upon completion of 75% of the infrastructure work (as per the execution schedule in work contract) by the Project Proponent/ Industry/ Developer, 60% of the approved infrastructure estimate will be disbursed directly to the Project Proponent/ Industry/ Developer by Commissioner of Industries, subject to certification of work completion by line department/ supervision consultant.

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(d) Balance 25% of the approved infrastructure estimate will be disbursed directly to the Project Proponent/ Industry/ Developer by Commissioner of Industries, subject to certification of 100% work completion by line department/ supervision consultant.

(e) The bank guarantee will be released 30 days from the date of certification of 100% work completion by the line department/ supervision consultant. The bank guarantee may be forfeited in view of non-satisfactory performance by the Project Proponent/ Industry/ Developer at any stage.

(f) District Collector will act as the nodal authority to monitor the infrastructure work. The progress will be reviewed in the District Investment Promotion Committee (DIPC) meetings. DIPC will be responsible for clearing all issues related to Right of Way (ROW).

(g) A uniform Supervision charge of not more than 1% of the cost of the specific infrastructure component may be levied by Line Departments/Supervision Consultant and the Project Proponent/ Industry/ Developer shall pay the same to Line Department/ Supervision Consultant directly.

(h) On lands allotted by APIIC, the Project Proponent/ Industry shall not be entitled for Extension of Time (EoT) regarding land cost payment in case there is any incidental delay in execution of external infrastructure work.

III. Monitoring, Review and Analytics

A robust workflow based system will be created to monitor the progress of works and payments in a timely manner. The system will have the following features:

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(i) Payment disbursement
(ii) Monitoring stage wise work progress
(iii) Monitoring delay in execution of works
(iv) Alerts to delay in execution of works to HoDs
(v) Provisions for DIPC/ authorised authorities to monitor progress of projects

10. The Commissioner of Industries, Vijayawada and VC & MD, APIIC, Vijayawada shall take necessary action.

11. This order is issued with the concurrence of Finance Department vide their U.O.Note No.45027/327/2017 Dt.4-9-2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Govt. of A.P. Vijayawada.
The Vice Chairman & Managing Director, APIIC, Vijayawada.
The Commissioner, Handlooms & Textiles, Hyderabad.

Copy to:

All District Collectors
The Finance .(FMU, Rev- I&C.) Department
The Water Resources Department
The Home Department
The Energy, I&I Department
The LET & F Department.
The Revenue (CT/Excise/LA/Registration/Endowments) Department.
The Environment, Forest, Science & Technology Department,
The Municipal Administration and Urban Development Department.
The Transport, Road & Buildings Department.
The PR & RD Department
The ITE & C Department

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The Law Department.
The Y.A. &T.C. Department
Ind & Com. (Infra/Prog.I/Prog.II) Depts.
The VC & Managing Director, APIDC, Vijayawada.
The Managing Director, Andhra Pradesh State Finance Corporation, Vijayawada.
Member Secretary, AP Pollution Control Board.
The Accountant General, Andhra Pradesh, Hyderabad
The GM, South Central Railways, Secunderabad.
All General Managers, District Industries Centre through Commissioner of Industries, Vijayawada.
P.S. to Principal Secretary to Chief Minister.
PS to Minister, Industries, Govt. of Andhra Pradesh
P.S. to Chief Secretary to Government
Secretary to Govt. & CIP, Ind. & Com. Dept.,
Secretary to Govt., Food Processing, Ind & Com Dept.,
Secretary to Govt., Mines, Ind. & Com. Dept.,
Secretary to Govt., H&T, Ind. & Com. Dept.,

// FORWARDED BY ORDER //

SECTION OFFICER

ANNEXURE
(G.O.Ms.No.161 Ind. & Com. (P&I) Dept., Dt.14-11-2017)
Checklist of Non- Statutory Approvals

Name of Unit:
Line of Activity:
Committed Investment (Rs. In Cr.):
Committed Employment:
District:
Mandal:
Village:

Land (in acres):

S No.	Check		Approvals	Remarks/ Details
1		Water	Permission for construction of Water Reservoir near the site	
2			Permission for Underground Water Pipeline/ ROW	
3			Permission to maintain Irrigation Tanks	
4			Permission for Re-routing of Existing Natural Water Stream (canal/ trenches)	
5		Power	Permission for Dedicated Power Line	
6			Establishment of Sub-Station near the site	
7			Permission for Re-routing Electric Lines (HT/LT lines)	
8		Land	Alienation of Assigned/ DKT Lands within the site	
9			Land requirement for Contiguity (DKT/ Assigned)	
10			Permission for Excavating Land within the site	
11		Road	Permission for constructing Approach Roads	
12			Permission for Widening of Road	
13			Permission for change of Existing Road Alignment	
14			Permission for Cutting of Road	
15			Permission to construct bridge over any water body (Approach road)	
16		Railway	Permission for Railway Siding Facility	
17		CETP	Permission for CETP construction	
18		Removal	Permission for removal of any other utilities (Telephone lines/ Towers, Religious sites etc.)	
19		Others	Any other components	

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SECRETARY TO GOVERNMENT & CIP